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Security Information

16 March 1953

PROBABLE EFFECTS OF VARIOUS COURSES OF ACTION  
AGAINST RED CHINA

Conclusions

1. Neither total UN trade embargo, naval blockade, nor naval blockade plus bombardment would induce the Chinese Communist to accept a Korean settlement on UN terms.

a. A total embargo on non-Communist trade with Communist China would probably have no significant effect on Chinese Communist capabilities to sustain military operations in Korea or to undertake military operations elsewhere, but would retard the expansion of Chinese Communist industry. An embargo would make Communist China economically more dependent on the USSR.

b. A naval blockade of Communist China would increase the difficulty of military operations requiring large expenditures of materiel, either in Korea or elsewhere, and would make Communist China economically more dependent on the USSR. It would retard the expansion of Chinese Communist industry to a greater extent than an embargo. The net political effect within Communist China would probably not be significant.

c. Large-scale and sustained bombardment in addition to a naval blockade would sharply reduce Chinese Communist military capabilities and would seriously affect the country's economic potential.

2. Naval blockade and bombardment by the Chinese Nationalists alone would not have a major effect under present conditions of Chinese Nationalist strength and operational efficiency.

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3. In reaction to a naval blockade, the Chinese Communists would almost certainly attack the blockading forces, with covert Soviet assistance, and might launch new acts of aggression, such as the seizure of Hong Kong and Macao.

4. In reaction to a blockade and bombardment, the Chinese Communists would make a maximum air defense effort in China and Manchuria. Units of the Soviet Air Force in the Far East would covertly participate, and the Chinese Communists would probably also employ their air capability against some US/UN bases in the Far East.

#### Discussion

Before the establishment of trade controls in 1950, China conducted its trade as follows:

West - 70%

Soviet Bloc - 30%

Now China trades approximately as follows:

West - 30%

Soviet Bloc - 70%

Most military equipment and nearly all manufactured items essential to the development of China's industry now come from the USSR. The most significant items imported from the Free World include:

cotton  
natural rubber  
pharmaceuticals  
fertilizer  
chemicals

In the event of naval blockade or total trade embargo, the Soviet Bloc could supply, in adequate amounts, all essential commodities now imported from West.

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China's imports brought in by sea amount to approximately 3,900 tons per day or about 1,400,000 tons per year (560,000 from non-Soviet bloc sources, 840,000 from Soviet bloc sources in 1952). The Trans-Siberian Railway and connecting rail lines between China and the USSR have adequate unused capacity to handle this volume of cargo. In the event of naval blockade, China's oceangoing coastal cargoes, amounting to approximately 9,100 tons per day, would have to be carried by inland transport. Although the rail system does not serve all parts of the country now served by coastal shipping, the Chinese railroads are adequate to handle the essential coastal cargo in addition to the essential imports that formerly came by sea.

A naval blockade would almost certainly be ineffective if Dairen and Port Arthur were excluded, and unless measures were taken to prevent trade with Communist China through Hong Kong and Macao. The readjustment of internal distribution necessitated by a blockade of all other seaports would impose additional strains on the Chinese Communist railway system.

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